

TOP SECRET

25X1

ED

25 April 1958

25X1

Copy No. 140

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 48
NO CHANGE IN CLASS.
DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: 2010
AUTH: 3/25/80
DATE: 3/25/80 REVIEWER:

25X1

25X1

State Dept. review completed

TOP SECRET

25X1

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

Next 1 Page(s) In Document Exempt

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

CENTRAL INTELLIGENCE BULLETIN

25 April 1958

25X1

DAILY BRIEF

I. THE COMMUNIST BLOC

No USSR-Yugoslavia: Further developments at the Yugoslav party congress make remote the possibility of any Yugoslav-Soviet party reconciliation. Yugoslavia's top ideologist, Kardelj, diverged from the relatively mild prepared version of his speech to the congress to reiterate Yugoslav rejection of Soviet threats to read his country out of the Communist world. He declared, along with several other pointed remarks, that "we do not need a Marxist and Leninist certificate issued by others" to practice Communism.

25X1

25X1

II. ASIA-AFRICA

OK Dhahran Airfield: Saudi Defense Minister Prince Fahad has asked that the American flag no longer be flown over the United States' military installation at Dhahran. This request is in line with the recent Saudi public statement outlining a policy of "positive neutrality" opposing pacts with non-Arab states, and specifically denying that Dhahran is an American "base." (Page 2)

25X1A

i

25X1A

No
Suez Canal compensation: Egypt and the old Suez Canal Company have reached agreement on compensation; it may take two months to work out the details. The terms are close to Nasir's recent offer of about \$65,000,000 for the company's nationalized property, payable in installments, plus some \$14,000,000 which the company would retain from canal tolls it collected after nationalization. Nasir has wanted a quick settlement, and the British have pressed the company to resolve this issue before Nasir's departure for Moscow scheduled for 29 April. [REDACTED]

25X1

25X1

25X1A

25X1

No
Watch Committee conclusion -- Indonesia: There is no evidence of Sino-Soviet intention to become militarily involved in Indonesia. Developments continue to favor local Communist and Sino-Soviet bloc exploitation of the situation. A military defeat of the dissidents would not resolve the basic issues which led to the revolt. [REDACTED]

25X1A

25X1A

No
Ceylon: Strikes by railway, postal, and port workers are placing considerable new pressure on Prime Minister Bandaranaike, whose government is already plagued by agitation over recognition of Tamil as an official language. Should the strikes spread to other government workers and

25 Apr 58

DAILY BRIEF

ii

25X1A

No employees in private industry, they would, as did those of last November, result in economic disruption throughout the island. Governor General Goonetilleke has called on the army and navy to run essential services. Two days before the strike, he held that conditions were approaching crisis proportions, and that a general election could lead to the coming to power of Trotskyite N. M. Perera. Bandaranaike has successfully weathered similar crises before, however, and a serious threat to his government has not yet developed.

25X1

III. THE WEST

OK Chile: President Ibanez plans to ask the Chilean congress to repeal the law which bans the Communist party and may also support the proposal of left-wing presidential candidate Allende to increase appreciably the tax burden on US-owned copper companies. Both moves would be in response to the recent rise in leftist and anti-US sentiment occasioned by the copper question.

25X1A

25 Apr 58

DAILY BRIEF

iii

25X1A

25X1

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

II. ASIA-AFRICA

Saudis Ask That United States Flag Not Be Flown at Dhahran Airfield

The request by the Saudi defense minister on 16 April that the United States discontinue flying its flag over the American military installation at Dhahran Airfield reflects Crown Prince Faysal's effort to implement the Saudi Government's recently announced policy of "positive neutrality." The Saudi request is also in line with the specific declaration in Faysal's foreign policy statement of 18 April that Dhahran is not an American base, but a Saudi base at which the United States enjoys certain transit and servicing facilities.

Faysal apparently wants to establish a basis for reconciliation with Nasir, whose propaganda has accused the Saudi dynasty of yielding sovereignty to alien interests.

The Saudi request is based on the contention that foreign flags should not fly on Saudi soil. The American commander at Dhahran explained to Defense Minister Prince Fahad that the present King's father had permitted the American flag to be flown as long as it remained imbedded in a concrete block above ground and was not actually in Saudi soil. The precedent may not be upheld, however, since the objection to flying the flag is understood to be shared by Faysal. [REDACTED]

25X1A

25X1A
[REDACTED]25X1A
[REDACTED]

25X1

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

Next 2 Page(s) In Document Exempt

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

III. THE WEST

Chilean Left Benefits From Anti-US Feeling on
Copper Question

Chilean President Ibanez may support the proposal of the left-wing Communist-supported presidential candidate Salvador Allende to increase the tax burdens on the US-owned copper companies whose investments total over \$500,000,000. The proposal would also divest the US companies of control over the sale of their products. This action would be in response to increasing leftist sentiment occasioned largely by irritation against the United States on the copper question. This sentiment may also lead him to propose to Congress the repeal of the law which since 1947 has banned the Communist party.

Chile, which receives 65 percent of its foreign exchange from copper, has been hard hit by the drop in the price of copper from 46 cents in 1956 to its present 25 cents per pound. These developments, added to the enfranchisement of Communist party members, are expected to greatly strengthen Allende's already good chances in the 4 September presidential elections. [REDACTED]

25X1A

25X1

25X1A

25X1A

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

DISTRIBUTION

THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Assistant for National Security Affairs
Scientific Adviser to the President
Director of the Budget
Office of Defense Mobilization
Special Assistant for Security Operations Coordination
Operations Coordinating Board
Board of Consultants on Foreign Intelligence Activities
Special Assistant for Foreign Economic Policy

The Treasury Department

The Secretary of the Treasury

The Department of State

The Secretary of State
The Under Secretary of State
The Deputy Under Secretary for Political Affairs
The Deputy Under Secretary for Administration
The Deputy Under Secretary for Economic Affairs
The Counselor
Director, International Cooperation Administration
Director of Intelligence and Research

The Department of Defense

The Secretary of Defense
The Deputy Secretary of Defense
The Secretary of the Army
The Secretary of the Navy
The Secretary of the Air Force
The Chairman, The Joint Chiefs of Staff
Commandant, United States Marine Corps
The Director, The Joint Staff
Chief of Staff, United States Army
Chief of Naval Operations, United States Navy
Chief of Staff, United States Air Force
Assistant to Secretary of Defense for Special Operations
Deputy Director for Intelligence, The Joint Staff
Assistant Chief of Staff, Intelligence, Department of the Army
Director of Naval Intelligence, Department of the Navy
Assistant Chief of Staff, Intelligence, Department of the Air Force
Supreme Allied Commander, Europe
Commander in Chief, Pacific

Federal Bureau of Investigation

The Director

Atomic Energy Commission

The Chairman

National Security Agency

The Director

National Intelligence Center

The Director

United States Information Agency

The Director

25X1A

Approved For Release 2003/02/27 : CIA-RDP79T00975A003600480001-9

CENTRAL INTELLIGENCE BULLETIN

25 April 1958

DAILY BRIEF

I. THE COMMUNIST BLOC

USSR-Yugoslavia: Further developments at the Yugoslav party congress make remote the possibility of any Yugoslav-Soviet party reconciliation. Yugoslavia's top ideologist, Kardelj, diverged from the relatively mild prepared version of his speech to the congress to reiterate Yugoslav rejection of Soviet threats to read his country out of the Communist world. He declared, along with several other pointed remarks, that "we do not need a Marxist and Leninist certificate issued by others" to practice Communism.

25X1A

25X1

Watch Committee conclusion -- Indonesia: There is no evidence of Sino-Soviet intention to become militarily involved in Indonesia. Developments continue to favor local Communist and Sino-Soviet bloc exploitation of the situation. A military defeat of the dissidents would not resolve the basic issues which led to the revolt.

25X1A

25X1A

Ceylon: Strikes by railway, postal, and port workers are placing considerable new pressure on Prime Minister Bandaranaike, whose government is already plagued by agitation over recognition of Tamil as an official language. Should the strikes spread to other government workers and employees in private industry, they would, as did those of last November, result in economic disruption throughout the island. Governor General Goonetilleke has called on the army and navy to run essential services. Two days before the strike, he held that conditions were approaching crisis proportions, and that a general election could lead to the coming to power of Trotskyite N. M. Perera. Bandaranaike has successfully weathered similar crises before, however, and a serious threat to his government has not yet developed.

25X1A